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SUBJECT: MEDIA REACTION: U.S.-CHINA RELATIONS, FINANCIAL CRISIS

Editorial Quotes

11. U.S.-CHINA RELATIONS

"China must avoid provoking the sensitive nerves of the U.S."

The official Communist Party international news publication Global Times (Huanyu Shibao)(12/30): "An American professor indicates that U.S. studies concerning China have emphasized political issues over the past 50 years but, have now changed to emphasizing economics. It symbolizes a new phase of the U.S.-China relationship and U.S. studies concerning China. This is symbolic because, generally, economics are the most important concern in the relationships of the U.S. and its allies. Over the past 30 years, the majority of U.S.-China exchanges have been disputes over political issues. Because of the political differences between the two countries, there have been many conflicts concerning stances and ideology. However, today the verbal conflicts between the two countries have largely decreased. For China, more substantial cooperation between the U.S. and China may cause the U.S. to overreact. Therefore China should insist on maintaining its own interests in dealing with the U.S. First, it should learn and recognize what the U.S. is most sensitive about and take actions to avoid provoking the U.S.'s sensitive nerves. The U.S. needs time to acclimate to the new role that China will play as an equal country to itself. In some cases, China should care about the feelings of the U.S. Appropriate and timely communication can avoid misunderstandings and misjudgment, especially when the U.S.-China mutual trust is still rather low. For the next 30 years, the mature, stable and practical U.S.-China relationship will act as the main driver and leading power in global development."

12. FINANCIAL CRISIS

"RMB's internationalization makes an important step forward"

The China Radio International sponsored newspaper World News Journal (Shijie Xinwenbao)(12/30): "Recently the State Council decided to give settling trades with ASEAN in certain regions a trial run. This means the RMB can be directly used as an import-export settlement currency in these regions. The rapid growth of China's economy has greatly influenced neighboring regions, which make it necessary to build a RMB currency zone. Setting up such a zone is not challenging the U.S. dollar, but suggesting the need for regional economic integration. Although the RMB is not yet an exchangeable currency, the Chinese government has recently stepped up its efforts towards the internationalizing of the RMB. Upgrading the RMB to a regional trade-settlement currency is a necessary path towards internationalizing the currency."

RANDT